

# Mineral Industry Surveys

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## GOLD IN AUGUST 2004

U.S. mines produced 20,300 kilograms (kg) of gold in August 2004, a 3% decrease compared with that of July, according to the U.S. Geological Survey. Production of gold in California was up by 4% over the same period. Total gold production for the first 8 months of 2004 was 11% less than that for the comparable 8 months of 2003, and the production in August was 13% less than that of August 2003.

**Domestic.**—Glamis Gold Ltd. reported that it received the last permit from the Nevada Division of Environmental Protection needed to begin construction of a leach pad at the Marigold gold mine in Nevada. Initial ore mining was planned to coincide with the commissioning of the first phase of the new leach pad in September. Glamis planned to triple gold production at Marigold to about 21,800 kg (700,000 troy ounces) per year by 2007 (Platts Metals Week, 2004a).

Iamgold Corp. (Canada) agreed to merge with Gold Fields Ltd. (South Africa) to create Gold Fields International Ltd. (GFI) to become the fourth-ranking gold producer in North America and seventh in the world. The merger combined Gold Field's Tarkwa and Damang mines (both in Ghana) and St. Ives and Agnew mines (both in Australia) with Iamgold's Sadiola and Yatela mines (both in Mali). Gold Fields owns about 70% of the fully diluted stake in the new company. The remaining 30% stake is held by Iamgold shareholders, who also received a special cash dividend of 37.7 cents a share. The enlarged GFI company has its new headquarters in Denver, CO (Platts Metals Week, 2004d).

The Chicago Board of Trade (CBOT) launched full-size 3-kg (100-troy-ounce) gold and 156-kg (5,000-troy-ounce) silver futures contracts that are traded on its electronic trading platform. CBOT already had offered mini-sized gold and silver futures contracts. The full-sized contracts are accessible nearly around-the-clock and are in direct competition with contracts for the same amounts of metal traded on the Comex division of the

New York Mercantile Exchange (American Metal Market, 2004a).

**International.**—The World Gold Council reported that world gold demand rose by 11% to 743,000 kg (23.9 million troy ounces) in the second quarter of 2004 compared with demand in the same quarter in 2003. Demand for jewelry increased by 8% in the second quarter to 664,000 kg (21.3 million troy ounces) compared with the levels of a year earlier despite a 13% increase in gold price. Recovery in jewelry demand was reported in China, India, Turkey, and Vietnam (Platts Metals Week, 2004b).

The London Bullion Market Association (LBMA) reported that the daily average of gold ounces transferred rose 9.5% in July compared with those of June, rising to 470,000 kg (15.1 troy million ounces). In comparison with those of July 2003, ounces transferred were 13% higher. The number of gold transfers rose about 2% in July compared with those of June, and the number of gold transfers increased 9% over the number of transfers in July 2003 (Platts Metals Week, 2003c).

Free State Province police arrested 28 suspects in one of South Africa's largest gold smuggling syndicates. Smugglers tried to sell 80 kg (2,600 troy ounces) of gold worth \$775,000 to undercover police in a sting operation. Another 57 kg (1,800 ounces) of unwrought gold, amateur smelting equipment, and eight vehicles were also confiscated by police. The gold was stolen from mines operated in the Province by Harmony Gold Mining Co., South Africa's largest gold producer (American Metal Market, 2004b).

Shanghai Gold Exchange posted a record high gold turnover of 20,440 kg (657,000 troy ounces) during the third week of August, the highest trade volume since its establishment in October 2002. The turnover was attributed to the wider gold price gap between Chinese domestic gold prices and international gold values that prompted banks and other

institutional investors to increase cross-market buying and selling (Platts Metals Week, 2004e).

### References Cited

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TABLE 1  
MINE PRODUCTION OF RECOVERABLE GOLD IN THE UNITED STATES, BY STATE<sup>1</sup>

(Kilograms)

	California	Nevada	Other States <sup>2</sup>	Total
<b>2003:<sup>p</sup></b>				
August	306	19,200	3,950	23,500
September	341	20,400	4,000	24,700
October	211	20,300	4,120	24,600
November	246	18,900	3,830	23,000
December	235	17,100	3,910	21,300
January-December	4,270	227,000	45,700	277,000
<b>2004:</b>				
January	198	16,400	3,210	19,800
February	245	15,200	2,890	18,300
March	243	19,800	3,160	23,200
April	222	15,000	2,850	18,000
May	217	18,000	3,000	21,200
June	1,070	18,500 <sup>r</sup>	3,180	22,800 <sup>r</sup>
July	188	17,600 <sup>r</sup>	3,110	20,900 <sup>r</sup>
August	196	17,000	3,130	20,300
January-August	2,580	137,000	24,500	164,000

<sup>p</sup>Preliminary. <sup>r</sup>Revised.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes Alaska, Arizona, Colorado, Idaho, Montana, South Dakota, Utah, and Washington.

TABLE 2  
GOLD PRICES

(Dollars per troy ounce)

Engelhard Industries:	
2003:	
Low/date	321.09 April 7
High/date	417.76 December 31
Average	364.8
2004:	
June:	
Low/date	386.15/11
High/date	405.59/28
Average	393.69
July:	
Low/date	388.61/28 and 29
High/date	407.84/9
Average	399.41
August:	
Low/date	392.16/5
High/date	411.95/23
Average	402.15
Year to date:	
Low/date	376.29 May 10
High/date	428.63 April 1
Average	401.84
Handy and Harman:	
2003, average	363.51
2004:	
June	392.73
July	398.08
August	400.86
Year to date	400.52
London Final:	
2003, average	363.51
2004:	
June	392.37
July	398.09
August	400.51
Year to date	400.42

Source: Platts Metals Week.

TABLE 3  
U.S. IMPORTS AND EXPORTS OF GOLD<sup>1</sup>

(Kilograms of gold content, unless otherwise specified)

Period and country	Ores and concentrates <sup>2</sup>	Doré and precipitates	Refined bullion <sup>3</sup>	Total <sup>4</sup>	Waste and scrap (gross weight)	Metal powder (gross weight)	Gold compounds (gross weight)
Imports for consumption:							
2003	1,960	95,200	152,000	249,000	15,000	4,080	31,800
2004:							
May	49	6,680	11,300	18,000	2,170	341	1,230
June	118	6,560	11,000	17,700	1,850	225	2,740
July:							
Brazil	--	--	2,210	2,210	1	--	--
Canada	68	1	9,740	9,800	110	8	--
Chile	--	--	550	550	--	--	--
Colombia	--	1,690	378	2,070	5	--	--
Dominican Republic	--	--	4	4	826	1 <sup>5</sup>	--
Germany	--	--	--	--	--	--	3,490 <sup>5</sup>
Honduras	--	194	--	194	10	421	--
Japan	--	--	--	--	--	(6)	2,590 <sup>5</sup>
Mexico	--	233	225	458	786 <sup>5</sup>	--	--
Nicaragua	--	176	--	176	--	--	--
Peru	--	6,320	--	6,320	--	--	--
Other	--	84	275	359	220 <sup>5</sup>	72	--
Total	68	8,700	13,400	22,100	1,960	502	6,080
Year to date	434	64,300	93,900	159,000	10,600	2,980	27,100
Exports:							
2003	826	131,000	220,000	352,000	159,000	874	565,000
2004:							
May	41	12,400	7,270	19,700	69,100	58	128,000
June	94	11,700	3,880	15,600	58,300	13	105,000
July:							
Argentina	--	--	1,570	1,570	--	--	--
Belgium	3	--	--	3	4,730 <sup>5</sup>	--	--
Canada	1	--	4,150	4,150	6,000 <sup>5</sup>	(6)	33,400 <sup>5</sup>
China	--	--	10	10	--	--	591 <sup>5</sup>
Dominican Republic	39	--	--	39	--	--	4,340 <sup>5</sup>
Germany	--	--	--	--	10,700 <sup>5</sup>	(6) <sup>5</sup>	609 <sup>5</sup>
Honduras	--	--	--	--	--	--	297 <sup>5</sup>
Ireland	--	--	--	--	--	--	163 <sup>5</sup>
Israel	--	--	120	120	--	--	5,710 <sup>5</sup>
Italy	--	--	24	24	1,190 <sup>5</sup>	--	--
Mexico	2	1	519	522	--	--	--
Panama	--	--	--	--	--	--	230 <sup>5</sup>
Singapore	--	--	--	--	--	--	68,500 <sup>5</sup>
South Africa	--	--	--	--	470 <sup>5</sup>	--	--
Sweden	--	--	--	--	1,590 <sup>5</sup>	--	--
Switzerland	--	12,400	3,880	16,300	--	--	--
Taiwan	--	--	--	--	--	--	8,120 <sup>5</sup>
United Arab Emirates	--	--	1,960	1,960	--	--	--
United Kingdom	--	3	2	5	27,900 <sup>5</sup>	32 <sup>5</sup>	160 <sup>5</sup>
Other	1	--	74	75	157	30 <sup>5</sup>	--
Total	45	12,400	12,300	24,800	52,700	62	122,000
Year to date	532	78,400	59,900	139,000	378,000	309	672,000

-- Zero.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes gold content of base metal ores, concentrates, and matte imported for refining.

<sup>3</sup>Bullion also moves in both directions between U.S. markets and foreign stocks on deposit in the Federal Reserve Bank. Monetary gold excluded.

<sup>4</sup>"Waste and scrap," "Metal powder," and "Gold compounds" not included in "Total."

<sup>5</sup>All or part of these data have been referred to the U.S. Census Bureau for verification.

<sup>6</sup>Less than 1/2 unit.